

NEW COTTON BOARD IS 90 P. C. BUCKETING, SAY 'EXPELLED' MEN

American Exchange Trad-
ers 'Cross Fingers to Cross
Their Orders.'

FEW BALES AVAILABLE

Boy Shows His Job Was to
'Borrow' Quotations From
Old Market.

PRICES ALWAYS HIGHER

Southern Customers Called
Chief 'Suckers' for Pre-
arranged Deals.

The brokers of the American Cot-
ton Exchange do 90 per cent. of their
business with their fingers crossed,
and usually on prices three, four or
five points in advance of the recog-
nized cotton market figures of the
New York Cotton Exchange, accord-
ing to the testimony of witnesses yes-
terday before Chief Magistrate Wil-
liam McAdoo at the John Doe inquiry
into the bucketing charges against the
American exchange.

The irony of the story told by those
witnesses was that a broker in making
a trade on the floor of the exchange
with his fingers crossed meant just
exactly what the gesture popularly
symbolizes—namely, that he was not
really making a trade, but "crossing"
a sale, which is the lingo of the ex-
change for bucketing.

The finger crossing trick is not lim-
ited, but is the universal gesture of the
entire membership of the exchange, ac-
cording to the testimony, and that is
the case not necessarily because a broker
deliberately desires to bucket his cus-
tomer's order but for the reason also
that frequently it is impossible actually
to buy a bale of cotton in the American
exchange, though actual delivery of cot-
ton may be effected at any time on the
New York exchange, across the street.

Why Ring Tricked to Buy.

The testimony revealed that it was that
inability to buy cotton on the American
exchange that brought about the propo-
sal, disclosed at Monday's hearing, to
sell 15,000 bales through the New York
exchange for sale to American exchange
brokers when conditions made an ac-
tual purchase of cotton imperative.

One concern—the Matthews Trading
Corporation, financed by Randolph Rose
& Son—actually was created to have cot-
ton available for delivery. It was when
that concern caused to function that
conditions became so "terrible" on the
American exchange that the proposal to
buy a supply for the relief of "short"
brokers was made. The plan, however,
was never carried out.

The sequel to the finger crossing deals
of the American exchange brokers lies
south of Mason and Dixon lines, in
the hands of the Southern exchange
brokers, formerly members of the
American exchange, told of how the
American exchange specializes in South-
ern clientele.

A broker said of his hundreds of
customers he had just two north of the
Potomac River. It was then described
how the chances of those clients to
buy cotton were so small that the Amer-
ican exchange was virtually nil. Glowing literature de-
signed to "hook" the Southern trade was
introduced in evidence.

Boy Obtains Quotations.

The hearing also solved the mystery
of how the American exchange obtained
the New York and Liverpool quotations,
which it made a part of its quotation
board in the ring room. It was brought
out that the American exchange had
negotiated in vain with the New York
exchange to obtain its quotation ser-
vice.

Then Howard Thayer, a seventeen-
year-old boy, now in the employ of A.
Houman & Co., of the New York ex-
change, but until a month ago board
boy of the American exchange, took
the stand and told how the trick was
turned.

That, he said, was by the simple ex-
pedient of calling over a telephone at
his elbow while he stood at the board,
which in hand he held, and he would
New York Cotton Exchange brokers who
"save him the market." He said he
had a New York Cotton Exchange
board in the ring room. It was brought
out that the American exchange had
negotiated in vain with the New York
exchange to obtain its quotation ser-
vice.

Witnesses Tell Same Story.

The alleged bucketing methods preva-
lent in the American exchange were
described in vivid detail by
Samuel Landecker of Ormes & Lan-
decker and William B. Wilson and J.
L. Watson, all formerly members of the
American exchange, who after they got
out of the exchange because they found
it impossible to do a legitimate commis-
sion business in that exchange.

Wilson and Watson were partners in
business. All three said they resigned
after repeated protests to the officers—
W. B. Graham, president, and G. W.
Pratt, secretary—against the prac-
tices without avail. They said they
were always put off with promises of
improvement of conditions.

One of the "encouraging announce-
ments," according to Landecker, was
that "one of the biggest brokers in the
street is coming in and will put new life
in things." That concern, he said, later
proved to be J. B. Sugarman & Co.,
which since has failed, owing creditors
\$100,000. Joseph B. Sugarman now is
under indictment charged with the lar-
ceny of one of his client's securities.

Landecker described Pratt as "the
man who held the house of cards to-
gether." The witness said he and sev-

Parents Not Responsible for Boy's Hurts at Play

A CHILD'S parents cannot be
held responsible for injuries
he may inflict on his play-
mates when the child acts without
the parents' knowledge. Justice
John MacCrute ruled yesterday in
the Supreme Court, Long Island
City. The decision was rendered in
the action brought against James
Casey of 1413 Perry street, West-
haven, by Joseph Marnane, a neigh-
bor.

Marnane asked \$20,000 damages
for his son, one of whose eyes, he
charged, was injured when Casey's
son shot at him with a bean shoot-
er.

He sought to establish that
Casey permitted his son to play
with a dangerous weapon, and
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SHOT IN FAKE HOLDUP TO SHOW MERITS OF BULLET-PROOF VEST

Steel Protection Plates Get
Misplaced, Leaving Open-
ing for Missile.

VICTIM'S CONDITION BAD

Pierpont Potter, Officer of
U. S. Armor Corporation,
Had Done Trick Often.

FIRST ACCIDENT OF KIND

Money Handlers of Third Ave-
nue Elevated Line Witness
Accident.

Pierpont Potter, sales manager for
the United States Armor Corporation,
arranged a fake holdup in the base-
ment of 104 Front street yesterday
afternoon to demonstrate the bullet-
proof qualities of a steel plated canvas
vest manufactured by his firm.

He was showing the device to three
employees of the Third avenue ele-
vated railroad, all trusted men who
are in charge of the collection of
money from stations and the handling
of huge sums for pay rolls. They had
been sent to witness the test, it was
learned, because the railroad company
is anxious to protect them from at-
tacks by bandits and the vest had been
suggested as a safeguard.

The railroad employees, with George
W. Smith, one of Potter's salesmen,
stood back against the wall to be out
of the path of revolver fire. Edmund
McGrath of 2540 Boulevard, Jersey
City, Potter's assistant in demonstra-
tions, had the role of bandit and was
armed with a .32-caliber revolver, while
the sales manager, playing the part
of the victim, wore one of the vests.

Ready for Attack by Thief.

"Now watch carefully," shouted Pot-
ter to the group of cab drivers, "I walk
along the street with a bag of money. The thief
springs at me—come on Mac, come at
me—and I get ready for him."

McGrath leaped at Potter, whipping
a revolver from his pocket. "Hands up!"
he said.

"He says 'Hands up,'" Potter con-
tinued, reaching out to grapple with
McGrath. "I go at him and he shoots—
shoot Mac."

McGrath fired. Potter staggered and
screamed with pain and then collapsed.
McGrath hurled the gun into a corner
and raced to the street and then to Old
Slip station, where he found Patrolman
Marshall Smith and Detective Dunbar.

"I've shot a man accidentally," he
told them. He led them to the basement
of the front street building, where they
found Dr. Gibson of Broad Street Hos-
pital already at work over Potter. "Pot-
ter was losing consciousness, but before
he was taken away to the hospital he
begged the detective not to arrest Mc-
Grath."

Victim Absolves Shooter.

"Don't arrest him. He didn't mean
to hurt me. Mac shot me in the back."
At Broad Street Hospital it was said
that Potter's condition was critical. The
bullet passed through his stomach,
lodging in the tissue near the spine. It
was expected that he would die.

An inspection of the steel plated vest
showed that the bullet had passed, not
through the steel but between two of the
steel plates, and that the bullet had
passed between the chest and abdomen. Potter
the spectators said, raised his hands and
took a breath as if in preparation for a
struggle just as he told McGrath to fire.
The bullet passed through the vest and
lodged in the tissue near the spine. It
was expected that he would die.

Steel Plates Turn Bullet.

A few minutes before the fake holdup
Potter had placed a plate of the steel
against a block of wood and fired bullets
at it to prove its strength. The bullets
did not pass through the steel and he
did not even suffer a dent.

Detective Dunbar questioned Mc-
Grath as well as the railroad employees,
William Ellis, guard on the money train,
Frank R. Buscher, collector, and Wil-
liam J. Campbell, chauffeur of the auto-
mobile used in handling big sums for
the pay rolls. Later John R. Hennis,
assistant district attorney, had them
go over the facts. He and Dunbar said
they were satisfied McGrath was not to
blame.

Potter's home is at 55 West Eighty-
fourth street. He is 35 years old and
unmarried.

Attacks Rich Widow
IN LONDON HOTEL
Burglar Enters Room of Lady
White—Fractures Her Skull.

Germany's Floating Debt 277,320,000,000 Marks

BERLIN, March 14.—It was an-
nounced to-day that the
floating debt of Germany on
February 28 was 277,320,000,000
marks.

The total debt of Germany on
February 19 amounted to 259,127-
\$11,000 marks, which represented
an increase of about 3,500,000,000
marks since February 1.

40 P. C. LOAN BILL
DEFEATED IN SENATE

Vote Forebodes Death of
Other Lockwood Insurance
Investment Measures.

\$100,000,000 BILL PASSED

State Trade Board Measure
Reported, and Two Rent
Bills Go Through.

Special Dispatch to THE NEW YORK HERALD.
New York Herald Bureau,
Washington, D. C., March 14.

The Senate to-night bent the Lock-
wood housing bill requiring insurance
corporations to invest 40 per cent. of
their investible funds in real estate
by a vote of 24 to 24.

Senator Lockwood asked to be ex-
cused from voting on the ground that
he has been an attorney for insurance
companies. The only absentee was
Senator Kavanagh (Rep.) of Sara-
toga. Nearly all of the New York city
men of both parties voted for the bill.
A motion to reconsider the vote was
made, but it will be impossible to get
the necessary twenty-five votes.

The housing bills requiring life in-
surance corporations and savings
banks to invest 40 per cent. of their
funds in real estate were not reached
to-night, but will undoubtedly meet
the same fate.

Earlier in the session the Senate
passed the \$100,000,000 Metropolitan
Life housing relief, and the bill to cre-
ate a State trade commission—a mea-
sure which Samuel Untermyer regards
as vital—was reported from the Cities
Committee.

There were seven votes for the trade
commission bill and only eight were
needed. Senator Henry G. Schackno,
Democrat, of New York, was absent.

Commission Bill Reported.

Senator Gibbs told Senator Lockwood
—they have made up their differences
and the bill will pass. If Senator
Schackno would say he favored the
bill it would be reported out. Senator
Schackno arrived later, and early this
evening the Cities Committee reported
out the trade commission bill. The only
absentee was Senator Kavanagh of
Saratoga, who is opposed to it.

When the State Trade Commission
bill was reported to the Senate to-night
by the Cities Committee Senator Frank
L. Wadsworth of Albany refused unan-
imous consent for its advancement to
the order of final passage. The action
throws it into general orders and a spe-
cial rule will be required to advance
it. Senator Lusk, the majority leader,
declared such a rule would be brought in.

The two other bills left in the Senate
Cities Committee are dead for this
session. Under the rule bills which are
voted upon adversely cannot be tried
out of a committee and then to the floor
for discharge. Such a motion only can
be made on bills on which no action has
been taken by committee.

The Senators who are compelled to
record their votes on the trade com-
mission and other housing bills re-
ported. The trade commission bill is
the one for which Mr. Untermyer made
a fight. He has been fighting it since
he came to the Senate, and he over-
came Gov. Miller's objections to it.

The measure creates a State commis-
sion similar to the Federal Trade Com-
mission, with authority to investigate
and prosecute illegal combinations in
trade. Mr. Untermyer has told the
Legislature that only through such a
board can the United States have
uncovered, he broken up. The
courts have failed, he said, and the
Federal Government cannot break the
stranglehold of the combinations in New York.

Lusk Against Trade Board.

Senator Lusk and others in the cities
committee who voted to report out the
Trade Commission and other bills have
indicated they do not favor the mea-
sures. The leaders decided it would be
better to get the bills out for a record
vote rather than to give rise to the
charge that they were strangled in
committee.

It now seems practically certain the
Metropolitan bill and the five rent bills
will pass both houses.

BONUS BILL ORDERED REPORTED 19-5 OVER HEADS OF EXPERTS

Warnings of Mellon, Criss-
inger and Gov. Harding
Are Cast Aside.

AMENDMENTS BEATEN

Fordney Prevented by Bi-
partisan Group From Hav-
ing Immediate Action.

HEARING FOR TWO HOURS

Sales Tax: Defeated 19 to 5
and Straight Cash Gratuity
Scheme 18 to 6.

Special Dispatch to THE NEW YORK HERALD.
New York Herald Bureau,
Washington, D. C., March 14.

The bonus raid on the public Treas-
ury and business of the country was
started on its legislative career this
afternoon by the Ways and Means
Committee of the House of Repre-
sentatives by a vote of 19 to 5.

The certificate loan plan bill was
ordered favorably reported by the
Ways and Means Committee within
ten minutes after Secretary of the
Treasury Mellon, Governor Harding
of the Federal Reserve system and
Comptroller of the Currency Criss-
inger had expressed their disap-
proval of it.

Even the convincing statement
from Palm Beach that the President
would veto the measure did not dis-
courage the bonus members of the
Ways and Means Committee, al-
though it was accepted as genuine.
The weight of Senatorial opinion,
which was overwhelmingly against
the latest bonus proposal, likewise
fell upon unwilling ears.

The vote on the bill was brought
about by Chairman Fordney and Ma-
jority Leader Mondell, who were de-
termined to "jam" the bill through
the House regardless of the question
of merit, feasibility or political wis-
dom, and in defiance of tremendous
public opinion.

Only Defense of Action.

The only defense made of the action
of the committee is that members of
Congress promised "the soldier boys"
to pass a bonus bill, and that the
promise must be kept, whether it
costs the people of the country \$5,000-
000,000 or untold billions beyond the
point of ordinary computation.

Before the bill was reported Mr.
Fordney met with a decisive defeat at
the hands of a combination of Republi-
cans and Democrats associated on
the committee. This group voted with
his proposal to report the bill without
amendment or seeking further infor-
mation from competent Treasury of-
ficials as to the adverse consequences
of the legislation to the Treasury and
the people of the country.

Seven Republicans and six Demo-
crats not only voted to hold the bill
open for amendments, but directed
the chairman to advise Secretary Mel-
lon and other officials of his depart-
ment to discuss the bill, to which each
had presented substantial and logical
objections.

Fordney Somewhat Secretive.

After the three Treasury Depart-
ment officials had repeated their clear-
cut and positive statements previously
made, the political arguments pre-
valued and the bill was ordered re-
ported. Just what is going to happen
to it is problematic. Mr. Fordney
would not disclose his plans beyond
saying the measure would be per-
fected in the next day or two, re-
ported and pressed to a vote next
week.

The plans of the bonus members of
Congress, whose only concern is to
record themselves in favor of the
bonus, and regardless of its ultimate
fate, depend somewhat upon the atti-
tude of Speaker Gillett. The Speaker
is on a holiday with President Har-
ding in Florida. His cooperation is
essential to the success of the proce-
dure favored by Majority Leader Mon-
dell, who is quite as determined as
Mr. Fordney to ignore the advice and
judgment of President Harding and
Secretary Mellon.

The majority leader is working hard
and glove with Mr. Fordney to pre-
vent amendment of the bonus bill dur-
ing its consideration in the House.
Apparently authentic information came
from Florida to-day that the Speaker
would not stand for the adoption of the
"gag rule" favored by Mr. Fordney
and Mr. Mondell. If he persists in
this attitude, the two bonus leaders
either will have to take the control of
the House from the Speaker or assent
to the regular procedure governing
legislation.

Information, Pathos and Bathos.

For two hours this afternoon Secre-
tary Mellon and his associates in the
Treasury answered questions with
facts while the members of the com-
mittee argued and made brief stump
speeches replete with both pathos and
bathos.

TREATY AMENDMENT LOST BY TEST VOTE OF 55 TO 30; RATIFICATION IS ASSURED

WHY FEDERAL FINANCIAL
EXPERTS OPPOSE BONUS BILL

Special Dispatch to THE NEW YORK HERALD.
New York Herald Bureau,
Washington, D. C., March 14.

THESE reasons were advanced by Secretary Mellon, Federal
Reserve Governor Harding and Comptroller Crissinger in ex-
pressing their disapproval of the bonus bill ordered reported by
the Ways and Means Committee this afternoon:

SECRETARY MELLON:
If a bonus bill is passed the preferable way [to finance it] would
be by a graduated sales tax, but taxes are now as burdensome as
the country should be asked to bear.

The reclamation [land settlement] feature of the bill is a very
indefinite and uncertain proposition, and to carry out its provisions
it would undoubtedly cost a vast sum.

Banks will hesitate in making loans on such slow paper—the
insurance service certificates.

The passage of the proposed bonus bill would have a tendency
to stimulate business for a short period, but reaction would surely
set in.

COMPTROLLER CRISSINGER:
If my advice is requested by national banks I would advise
them not to make loans on insurance certificates.

I know of a lot of banks which cannot loan one-tenth of 1 per
cent. on long time securities.

It is unbelievable the amount of doubtful paper some of the
banks now carry, and if we were not very lenient many of them
would be forced to close their doors.

GOVERNOR HARDING:
I believe the certificates will be a good thing for the service
men, but I don't believe they will help the banks and business of
the country.

Our interest in the [bonus] proposition is to see that the banks
do not get overloaded with unliquid securities.

Our only concern is to protect the Federal Reserve system.

REPARATIONS COMMISSION RE-
fers Matter to Allied Gov-
ernments for Action.

WASHINGTON OPTIMISTIC
Deems Report of Opposition of
Allies to Reimbursement
as Incredible.

Special Dispatch to THE NEW YORK HERALD.
New York Herald Bureau,
Washington, D. C., March 14.

The State Department has been in-
formed officially that American rights
to reimbursement for the cost of main-
taining an army of occupation on the
Rhine have been reserved by the allied
Ministers, to whom the American
claims were presented.

This action is understood to have
been reported by Roland W. Boyden,
the American unofficial representative
on the Reparations Commission, who
presented the American claims last
week.

The status of the American claims
now, as understood in official circles
here, is that they have been brought
to the attention of the Reparations
Commission and that body, deeming it-
self incompetent to pass upon them,
has taken due note of the case of the
United States and referred the matter
to the allied Governments.

Recognition of the Point.

Recognition of the justice of the
American claims for reimbursement is
chiefly concerned with the question
of terms and date of payment
being regarded as secondary. What
the United States objected to was the
apparent intention of the Reparations
Commission to proceed with the work
of parceling out the reparations funds
without paying any attention to this
Government's rights.

When it appeared that such was the
commission's intention this Government
"merely filed a caveat, so that it could
be said that the United States had
acquiesced in what they were about to
do," a high Administration official ex-
plained.

It was emphasized again that all the
proceedings thus far had been conducted
in the friendliest possible manner, and
officials reiterated their desire that
there should be nothing said which
might embitter negotiations. The Gov-
ernment, it was stated emphatically, is
still without any official confirmation of
reports that the allied Governments
think seriously of denying the right of
the United States to be paid, and offi-
cials profess to regard it as incredible
that any allied Government should com-
template such action.

2 BALLOTS TAKEN

Defeat of Robinson Propo-
sal Is Followed by
Similar Action on One
From Walsh.

DEBATE IS SPIRITED

Williams Stirs Storm by
Charging Partisanship
in World Affairs.

LENROOT GIVES WARNING

Failure of Compact Is Menace
to Nation, He Says in Re-
ply to Borah.

Special Dispatch to THE NEW YORK HERALD.
New York Herald Bureau,
Washington, D. C., March 14.

The Senate voted to-day on the
Robinson amendment to the four-
power treaty, defeating it by a vote
of 55 to 30, showing the supporters
of ratification to be in complete con-
trol of the situation. Barring